FACTS ON FILE
WORLD NEWS DIGEST WITH INDEX

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Week in Headlines

International

Eisenhower plan for U.S. defense of Mid-East against Red aggression presented to Congress.

Egypt abrogated 1954 Suez defense pact with Britain.

Soviets met with satellites in Budapest to bolster East European solidarity, promised concessions to East Germany.

Hungarian Govt. announced tightening of Red rule.

Saar rejoined West Germany.

UN Assembly Com. renewed call for Korean unity elections.

United States

Dem.-controlled Congress met; Senate retained filibuster rule.

Knowland announced plans to retire from Senate in 1958.

Jackie Robinson announced retirement from baseball.

Film actress Marie McDonald reported she was kidnaped.

Traffic fatalities set New Year holiday record.

WORLD AFFAIRS

MIDDLE EAST

Eisenhower Doctrine

Pres. Dwight D. Eisenhower asked the U.S. Congress Jan. 5 for authority to use U.S. armed forces, if necessary, to protect the Middle East from Communist aggression. A joint resolution to implement Mr. Eisenhower's military-&-economic-aid program for the Middle East, already being called the "Eisenhower Doctrine," was introduced a few minutes later by Rep. Thomas S. Gordon (D., Ill.), chairman of the House Forgn. Affairs Com.

The new U.S. policy for the Middle East had been "leaked" to the press Dec. 27 [see Vol. XVI, p. 433D1] and then explained by the President & State Secy. John Foster Dulles to Democratic & Republican Congressional leaders at a White House conference Jan. 1. The House Forgn. Affairs Com. opened hearings on the proposal Jan. 7.

U.S. Troops' Use. Pres. Eisenhower, appearing Jan. 5 before a joint session of Congress, requested authority to undertake "programs of military assistance & cooperation with any nation or group of nations [in the Middle East] which desires such aid." This, he said, should "include the employment of the armed forces of the United States to secure & protect the territorial integrity & political independence of such nations requesting such aid against overt armed aggression from any nation controlled by international communism." [See Vol. XVI, p. 433B1]

Mr. Eisenhower said such measures "would have to be consonant" with U.S. "treaty obligations," including the UN Charter, & with any UN "action or recommendation." "They would also, if armed attack occurs, be subject to the overriding authority of the United Nations Security Council in accordance with the Charter," he said. [See Vol. XVI, p. 433D2]

The President promised that if military action seemed "called for," he "would, of course, maintain hour-by-hour contact with the Congress if it were in session" or, if Congress were not in session & "the situation had grave implications, I would at once call the Congress into special session." [See Vol. XVI, p. 433F2]

'Insurance' vs. War. Mr. Eisenhower warned that "in the situation now existing, the greatest risk . . . is that ambitious despots may miscalculate." If they "estimate that the Middle East is inadequately defended, they might be tempted to use open measures of armed attack," the President predicted, and "that would start a chain of circumstances which would almost surely involve the United States in great military action." He said he was "convinced that the best insurance against this dangerous contingency is to make clear now our readiness to cooperate fully & freely with our friends of the Middle East in ways consonant with the purposes & principles of the United Nations."

Pres. Eisenhower announced that he would "send a special mission to the Middle East to explain the cooperation we are prepared to give." (Mr. Eisenhower Jan. 7 appointed ex-Rep. James P. Richards [D., S.C.], 62, a former House Forgn. Affairs Com. chairman, as $20,000-a-yr. head of the new mission. Sworn in the same day, Richards was given the rank of ambassador & made a Special Asst. to the President on Middle East Problems. Dulles told the House Forgn. Affairs Com. that Richards would be the "primary figure" in running the program.) [See Vol. XVI, pp. 201E-F1, 192F-G3, 143B1, D2, 59C2]

The President said his authority to use U.S. forces in the Middle East "would not be exercised except at the desire of the nation attacked" and that he hoped "this authority would never have to be exercised at all. Nothing is more necessary to assure this than that our policy with respect to the defense of the area be promptly & clearly determined & declared." "Experience shows," he said, "that indirect aggression rarely if ever succeeds where there is reasonable security against direct aggression, where the government possesses loyal security forces & where economic conditions are such as not to make communism seem an attractive alternative."

Mr. Eisenhower said there was "imperative need that any lack of power in the area should be made good, not by external or alien force but by the increased vigor & security of the independent nations of the area."

Economic Aid. Explaining that his proposal "is primarily designed to deal with the possibility of Communist aggression, direct & indirect," Pres. Eisenhower told Congress that "it would, first of all, authorize the United States to cooperate with & assist any nation or group of nations in the Middle East in the development of economic strength dedicated to the maintenance of national independence."

Financing. Mr. Eisenhower asked Congress to let him finance the new economic & military programs with money "available under the Mutual Security Act of 1954, as amended, without regard to existing limitations" He said he did not ask for new money immediately because he thought "presently appropriated funds will be adequate for the balance of the present fiscal year [fiscal 1957] ending June 30." He said he would request "the authorization of $200 million to be available during each of the fiscal years 1958 & 1959 for discretionary use in the area."

Background. Pres. Eisenhower, explaining the need for his program, told Congress that the UN "can always be helpful, but it cannot be a wholly dependable protector of freedom when the ambitions of the Soviet Union are involved." He cited Russia's "callous indifference" to the UN Gen. Assembly's "recommendations, even censure," over Hungary. He contrasted this with the UN's success in bringing about "a cease-fire & withdrawal of hostile forces from Egypt" by "governments & peoples who had a decent respect for the opinions of mankind as reflected in the United Nations Gen. Assembly."

The President listed 3 "simple & indisputable facts" with which the world was confronted: (1) "The Mid-

* Covers Tuesday, Jan. 1—Wednesday, Jan. 9, 1957.

REFERENCES in brackets give location of background information in this & preceding volumes of FACTS ON FILE with Cumulative Index.

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dle East, which has always been coveted by Russia, would today be prized more than ever by international communism"; Russia needed "a recognizable success" to offset its failure in Hungary, and addition of the Mid-East to its sphere would be an important step in achieving its "announced purpose of communizing the world." (2) "The Soviet rulers continue to show that they do not scruple to use any means to gain their ends." (3) "The free nations of the Mid-East need, & for the most part want, added strength to assure their continued independence."

Mr. Eisenhower said he deemed it "necessary to seek the cooperation of the Congress" because "only with that cooperation can we give the reassurance needed to deter aggression, to give courage & confidence to those who are dedicated to freedom and thus prevent a chain of events which would gravely endanger all of the free world." He said that "our joint resolve should be so couched as to make it apparent that if need be our words will be backed by action."

The President conceded that his plan "will not solve" or even "deal directly" with "the problems of Palestine & relations between Israel & the Arab states, and the future of the Arab refugees" or "the future status of the Suez Canal."

U.S. Resolution. The joint resolution introduced by Rep. Gordon Jan. 5 [see p. 1C1] would authorize the President to use U.S. forces "as he deems necessary to secure & protect the territorial integrity & political independence" of middle Eastern nations "requesting such aid against overt armed aggression from any nation controlled by international communism." It also provided that:

(a) Such action "shall be consonant" with U.S. treaty obligations, the UN Charter & UN actions & recommendations; (b) such measures "shall be immediately reported to the Security Council and shall not . . . affect the authority & the responsibility of the Security Council" to restore peace & security; (c) the President might use up to $200 million from any existing mutual security appropriations "without regard to the provisions of any other law or regulation"; (d) he must report his actions under the program to Congress every January.

Dulles Presses Plan. Dulles warned the House Forgn. Affairs Com. Jan. 7 that Congressional rejection of the Admin.'s Middle East plan, "or even long delay or a sharp division, would be quite disastrous as far as that area is concerned." He refused to answer questions about whether the President already had powers requested and said, in a formal statement that preceded his testimony: "Until the Congress has actually spoken, there is doubt in the Middle East, and there may be doubt in the Soviet Union" as to whether the U.S. would "react with force," as it certainly would, "if Communist-controlled governments used open force to conquer the Middle East." "If those doubts persist, then the danger persists & grows."

Dulles confirmed that "we did not discuss [the Eisenhower Doctrine] with the British or the French" before adopting it. He said Arab reaction to the plan, initially "not favorable" because the Communists distorted it, was "becoming markedly changed." He predicted that when the Middle East fully understood the U.S. proposal, it would be "generally welcomed in the area."

Dulles said the Admin. "would accept" "national" Communist governments in the Middle East "as we have in Yugoslavia." But he predicted that "the last thing that's going to happen in that part of the world is communism as an indigenous force. The people hate communism."

(Discussing the Admin. proposal with Congressional leaders Jan. 2, Dulles indicated that he did not think the situation in Syria, allegedly dominated by pro-Communists, was too serious. He suggested it could be improved fairly easily and said the dollar was a powerful weapon.) [See Vol. XVI, p. 434G2-B3]

Dulles & Adm. Arthur W. Radford, chairman of the U.S. Joint Chiefs of Staff, testified in closed sessions before the House committee Jan. 8. Rep. Wayne L. Hays (D., O.), who had clashed with Dulles over Admin. policy Jan. 7, stormed out of the Jan. 8 hearing in protest over what he considered "too much" secrecy. He charged that Dulles insisted on executive session to avoid a public airing of Admin. "mistakes." Dulles replied that if the session had been "open, we would not have been able to give some of the information we did because it involves the security of the United States."

Dulles Vs. Substitute. House Speaker Sam Rayburn (D., Tex.) disclosed Jan. 8 that he was passing on to other Democratic leaders a substitute resolution submitted to him by a "prominent man" no longer in the Govt.

The substitute: "The United States regards as vital to her interest the preservation of the independence & integrity of the states of the Middle East and, if necessary, will use her armed forces to that end."

Rayburn, while not committing himself to the substitute, said it was a "pretty sane approach" whose language seemed to "make some sense."

Dulles, at a closed House Forgn. Affairs Com. session Jan. 9, rejected the substitute as proposing "unilaterally" a U.S. "protectorate over the area, irrespective of the desire or request of the countries themselves." He warned that it would "be bitterly resented" in the Middle East. He objected that it would call for U.S. "armed intervention against any attacks, not merely Communist," and therefore would have required the U.S. to fight Israel, Britain & France had it been in force in Nov. 1956.

Dulles also said that the substitute: (a) "does not refer to 'armed attack' and constitutes a unilateral guarantee of existing boundaries"; (b) "would call for military action to overthrow a regime if it came under Communist control by peaceful means" and thereby "violate" the UN Charter "& the position the United States took in opposing British & French military efforts to overthrow the Nasser regime"*; (c) "would not make clear the President's authority in respect to the use of armed forces against Communist armed attack"; (d) "would not increase the President's discretion to use already appropriated moneys more freely" for economic aid; (e) "would not relate the use of our armed forces to the United Nations Charter."

Chrmn. Gordon of the House committee said he agreed with Dulles' objections. [See p. 2C-D1]

Reaction. Democrats in Congress criticized Pres. Eisenhower's Middle-East proposal and said it could be adopted only after thorough Congressional scrutiny & debate. GOP reaction ranged from complete approval to cautious silence, but most Republicans seemed to agree on the need for Congressional study.

The national Democratic Advisory Com. [see Vol. XIV, p. 431E2] charged Jan. 5 that the proposal was "an effort to partially close the stable door after the horse is partially outside the stable." It said the President had a responsibility to deal with "the root problems of the Middle East—the problems which Mr. Eisenhower brushed aside . . . the problems of Suez & relations between Israel & the Arab states." It charged that the Kremlin was "emboldened to increase . . . pressure on the free nations" because the Eisenhower Admin.'s "bullying of our allies & placation of our enemies has eroded our position until we have sided with Communist Russia against free Britain & free France and we have sided with dictator-controlled Egypt against free Israel."

Adlai E. Stevenson, 1952 & 1956 Democratic Presidential nominee, said in Washington Jan. 3 that Pres. Eisenhower had promised (Oct. 31, 1956) there would be no U.S. "involvement in present hostilities" [see Vol. XVI, p. 362A3] but now was asking "for another military blank check . . . the right to send our forces to fight in the Middle East." Sen. Estes Kefauver (Tenn.), Stevenson's 1956 Vice Presidential running mate, predicted on the ABC-TV "College Press Conference" program Jan. 6 that adoption of the "Eisenhower Doctrine" might lead to World War III. This was denied by Sen. Leverett Saltonstall (R., Mass.).

Sen. Mike Mansfield (D., Mont.) of the Senate Forgn. Relations Com. said on the ABC-TV "Celebrity Pa-

*This was the first time the Eisenhower Admin. had said the purpose of the Anglo-French attack in Oct. 1956 was to overthrow Egyptian Pres. Gamal Abdel Nasser. [See Vol. XVI, p. 362A-C3]

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rade" program Jan. 6 that the Admin. program was just "a continuation of the old Democratic policy of containment, which many Democrats believe has outlived its usefulness."

Sen. Richard B. Russell (D., Ga.), chairman of the Senate Armed Services Com., said Jan. 5 that he would prefer to deal with the military aspects "on a treaty basis, with each country separately, specifically outlining our obligations. However, I would support a resolution that makes the naked statement that we would come, with all our military might, to the assistance of any nation in the Middle East that asks it."

Sen. W. Kerr Scott (D., N.C.) demanded Dulles' resignation. Scott said Jan. 6: "All along we have been led to believe that we were on the verge of lasting world peace. After many months of lulling us to sleep, the President now tells us very bluntly that we are hanging on the brink of war."

The Eisenhower proposal, however, was given the unreserved support of House GOP leader Joseph W. Martin Jr. (Mass.) & of Republican Sens. Saltonstall, Frank Carlson (Kan.) & Edward Thye (Minn.).

Overseas Views. The Moscow Communist Party newspaper "Pravda" denounced the "Eisenhower Doctrine" Jan. 1 as a plan "for the further enslavement of Middle Eastern peoples" that would turn the area "into a permanent hotbed of military conflict." "Pravda" called it a "plan to strengthen American colonial domination" in the Middle East and charged that one aim "is to grab the riches of the Middle East region, which are slipping out of the hands of the British colonialists." The Soviet Govt. newspaper "Izvestia" Jan. 4 labeled the proposal an effort to "rekindle the flames of war in the Middle East."

French Forgn. Min. Christian Pineau said Jan. 6 that the "Eisenhower Doctrine" incorporated "all the theses I have defended." Dutch Forgn. Min. Joseph M. A. H. Luns Jan. 3 indicated that his Govt. welcomed U.S. reassertion of leadership in an area menaced by Soviet expansionism. "Il Popolo," organ of Italian Premier Antonio Segni's dominant Christian Democratic Party, hailed the U.S. proposal Jan. 6 as "a sincere & serious plan in keeping with the Christian spirit of the West. Every man of good will must support it." But Yugoslav Govt. spokesman Branko Draskovic warned Jan. 4 that it would "further complicate the already delicate situation" in the Middle East.

Syrian Forgn. Min. Salah el-Bitar declared Jan. 4 that 2 elements must be added to the plan for it to win Arab support: (1) "It should not restrict the use of force . . . [to] aggression by just one side . . . [but] should mention that force will be used against all aggression from whatever direction it comes"; (2) "all countries agreeing with the United States in opposing aggression should participate with her in using force against an aggressor." [See Vol. XVI, p. 434G2]

Jordan's Natl. Front Party cabled Pres. Eisenhower Jan. 6 that a threat of military intervention would increase Arab hatred of the U.S. It assailed the "Eisenhower Doctrine" as a violation of the UN Charter.

Egypt & Israel

Suez Clearance. UN-chartered ships & crews continued salvage work in the Suez Canal Jan. 1-9. A limited channel from El Ferdan to Port Said was opened when German lifting vessels pulled the wrecked El Ferdan railway bridge from the canal Jan. 4. Despite UN objections, Egyptian tugs Jan. 5-6 turned 13 vessels trapped in the canal near Ismailia and formed them into a northbound convoy. They left the canal at Port Said Jan. 8.

Col. Mahmoud Yunes, dep. dir. of the Egyptian Suez Authority, said Jan. 6 that "we [Egypt] will prove to the world that we can run this canal even after 2 aggressions." [See Vol. XVI, pp. 433G3-434D1]

The U.S. Govt. made $5 million available to the UN from Mutual Security funds Jan. 8 to help meet initial UN canal clearance costs. 8 West European & British Commonwealth nations were said to have agreed Jan. 2 to advance an additional $5-$6 million for the salvage program. The World Bank agreed Jan. 2 to act as UN agent in handling the loans & paying UN-chartered salvage firms. [See Vol. XVI, p. 426D1]

Settlement Prospects. Egyptian officials Jan. 5 reiterated their Govt.'s intention to seek a Suez settlement through the UN. They stressed that Egypt had broken relations with Britain & France after their attempt "to settle the problem by force" [see Vol. XVI, p. 362D1] and would not renew relations to discuss a solution. [See Vol. XVI, p. 337F1, E2]

Lebanese Forgn. Min. Charles Malik said Jan. 5 that the Arab Govts. had agreed to oppose debate on the Palestine question by the current UN Gen. Assembly. Malik said that the invasion of Egypt had "created a new situation in which it is not possible to go into any general settlement." [See Vol. XVI, p. 420D3]

Spokesmen for the U.S. delegation to the UN said Jan. 3 that the U.S. was "looking forward to further private [Suez] discussions under the aegis of the UN" [see Vol. XVI, p. 337D3]. They indicated that they would not formally introduce draft resolutions on the Suez & Palestine disputes (circulated by the U.S. Nov. 3) pending further efforts by UN Secy. Gen. Dag Hammarskjöld to arrange for a renewal of direct British-French-Egyptian negotiations. [See Vol. XVI, p. 364B1]

The British Forgn. Office Jan. 7 condemned Cairo radio reports that Egyptian Pres. Gamal Abdel Nasser had threatened to bar British & French shipping from the canal until Israeli troops were withdrawn from the Gaza Strip. A statement issued with the approval of Prime Min. Sir Anthony Eden claimed that Egypt had given the UN firm guarantees against discriminatory canal operations. [See Vol. XVI, pp. 425G2-C3, 426C1]

(Earl Attlee, ex-British Prime Min., said Jan. 7 in Ann Arbor, Mich. that he favored internationalization of both the Suez & Panama Canals.) [See Vol. XVI, p. 270F1]

(The London "Daily Express" reported Jan. 3 that Gen. Sir Charles Keightley, 55, cmndr. of Anglo-French forces in Egypt, was being "compulsorily retired" following his transfer to a War Office desk job Dec. 31.) [See Vol. XVI, p. 401F2]

Egyptian Pact Abrogation. Egyptian Pres. Nasser Jan. 1 decreed abrogation of the 1954 Anglo-Egyptian treaty governing evacuation of the Suez Canal Zone & maintenance of Britain's Suez Zone military bases. The decree ended the treaty effective Oct. 31 when British bombers attacked Egypt. Cairo radio said Jan. 2 that Britain's Suez Zone base (including equipment & stores valued at $112-$140 million) had been liquidated & "no longer exists in Egypt." The British Forgn. Office said Jan. 2 that it had received no notice of the pact's abrogation & regarded it as still in force. [See Vol. XVI, pp. 425D1, 197C-F2]

(Nasser Jan. 4 cancelled censorship of the Egyptian press. Egyptian Industry Min. Aziz Sidky Jan. 2 ordered kerosene rationing resumed for the first time since World War II.) [See Vol. XVI, p. 197D3]

Gaza Dispute. Washington sources said Jan. 3 that the U. S. had rejected an Israeli plea for backing in an attempt to win international guarantees for (a) passage of Israeli shipping through the Suez Canal & Gulf of Aqaba, (b) barring of Egyptian fedayeen from the Sinai Peninsula, and (c) prevention of Egyptian Army reoccupation of the Gaza Strip. State Secy. John Foster Dulles reportedly told Israeli Forgn. Min. Golda Meir that Israel should comply immediately with UN demands for withdrawal of all Israeli troops behind the 1949 Israeli-Egyptian armistice line. [See Vol. pp. 434B-E2, 419G1-A2]

U.S. Aid to Israel. Dulles, testifying Jan. 7 before the House Forgn. Affairs Com. on Pres. Eisenhower's new Mid-East program, said that under the new plan "it would be entirely possible" for the U.S. to resume shipment of military aid to Israel. Dulles said that the U.S. had limited all arms shipments to the Middle East to "relatively small amounts." [See Vol. XVI, p. 362F3]

Israel Bond Corp. Vice Pres. Jos. J. Schwartz said Jan. 5 that $54,088,850 worth of Israeli development bonds had been sold in the U.S. during 1956. Schwartz listed $270,667,200 in Israeli bond sales in the U.S. since opening of the program in May 1951. [See Vol. XVI, p. 328C3]

Sinai Withdrawals. Israeli troops in the Sinai Peninsula withdrew Jan. 7 to a line running south through El Arish. Gen. Moshe Dayan, Israeli Army Chief of Staff, met with Maj. Gen. E. L. M. Burns, UN Emergency Force cmndr., in El Arish Jan. 4. Dayan reportedly disclosed that no Israeli withdrawals from the Sherm el Sheikh area of southern Sinai had

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KHRUSHCHEV ON STALIN. Soviet CP First Secy. Nikita S. Khrushchev told guests at a New Year's Eve reception in the Kremlin Dec. 31-Jan. 1 that Stalin was "a great fighter against imperialism" & "a great Marxist." According to Communist diplomats who attended the reception, Khrushchev said: "I grew up under Stalin. Stalin made mistakes, but we should share responsibility for those mistakes because we were associated with him." Khrushchev expressed pride at having fought at Stalin's side against "class enemies." "The imperialists," he said, "call us Stalinists. Well, when it comes to fighting imperialism, we are all Stalinists." [See Vol. XVI, pp. 435C2, 323E-G1, 213A1-216G3]

yet been planned. 2 frigates & the first of 2 torpedo boats were reported on patrol Jan. 4 at the newly-opened Israeli naval base in Elath. The frigates arrived after a 13,000-mi. voyage from Haifa via the Cape of Good Hope. [See Vol. XVI, p. 425D1]

Refugees. 967 Jewish expellees from Egypt arrived in Italy Jan. 6 aboard the Egyptian steamer "Misr." The refugees reported that Egypt had detained Jews under "filthy" conditions, seized Jewish property & threatened Jews with police terror. All but 100 of the 967 were reported to have accepted asylum offered by Israel. (According to the Jan. 5 "N.Y. Times," Israeli immigration totalled 55,000 during 1956, emigration 50,000 since the founding of Israel in 1948.) [See Vol. XVI, p. 419E3]

Henry R. Labouisse, dir. of the UN Relief & Works Agency for Palestine refugees, reported Jan. 3 that UNRWA would require $29 million for direct relief & $22 million for education during 1957. Labouisse's report listed 922,279 Arab refugees receiving direct UNRWA aid. (Refugees from the 1948 Arab-Israeli war were estimated at 300,000-750,000 in 1948) [see Vol. VIII, pp. 235G, 412E]. The report charged that Arab "host" states had hampered UNRWA work, attempted to control its funds & conducted "virulent attacks" on its personnel. [See Vol. XVI, p. 403D1]

Yemen Fighting. Britain Jan. 8 rejected Yemenite protests, made Jan. 2, that RAF aircraft had bombed and destroyed homes near Harib, Yemen Dec. 31. A British note said that RAF planes "took action" Dec. 31 against Yemenite tribesmen near Al Hajar, within territory of the Aden Protectorate. [See Vol. XVI, p. 133C1]

EAST EUROPE

Conferences

Budapest Parley. Soviet CP First Secy. Nikita S. Khrushchev & leaders of the Bulgarian, Czech, Rumanian & Hungarian Communist parties met Jan. 1-4 in Budapest to discuss Soviet-bloc internal & foreign policies. A communiqué issued in Moscow Jan. 6 disclosed that the talks had been held. It said that the Russian & satellite leaders had pledged to support Premier Janos Kadar's Hungarian Govt. against "counter revolution" and the "encroachments of aggressive imperialist forces." The communiqué claimed that misled Hungarian workers now had seen through the "deception" of rebel leaders & realized that "the blood of [their] best sons . . . had to be paid for this deception." [See Vol. XVI, p. 435A3]

Noting a "sharpening of international tensions," the communiqué attributed it to "the actions of the United States, which is taking broad new measures to enslave the countries of the Near & Middle East." It warned that the "so-called Eisenhower-Dulles Doctrine" constituted "crude interference" in Mid-Eastern affairs and could lead to "serious deterioration of the situation" [see p. 1C1-D3]. The Soviet & satellite leaders called for liquidation of the "aggression against Egypt" as the only way to "tranquility & peace in this region." [See Vol. XVI, p. 411G1-A2, E2]

Present at the Jan. 1-4 Budapest meetings: USSR—Khrushchev & First Dep. Premier Georgi M. Malenkov; Hungary—Premier Kadar & Forgn. Min. Ferenc Munich; Bulgaria—CP First Secy. Todor Zhivkov & Pres. Georgi Damyanov; Rumania—Premier Georghe Georghiu-Dej, First Dep. Premier Alexandru Moghories & Dep. Premier Petre Borilas; Czechoslovakia—Premier Viliam Siroky & CP First Secy. Antonin Novotny.

Soviet-East German Talks. Soviet leaders met in Moscow Jan. 4-7 with an East German delegation headed by Premier Otto Grotewohl & CP Secy. Gen. Walter Ulbricht. A communiqué distributed by the Soviet Tass news agency Jan. 7 said that the USSR had agreed to conclude an accord on "questions deriving from the presence of Soviet troops on the territory of" East Germany, primarily dealing with civil affairs & court jurisdiction. No mention was made of East German control of the "temporary" disposition & movement of Russian forces on its territory. [See Vol. XVI, pp. 427E3, 418G2-C3]

The communiqué, signed by Bulganin & Grotewohl, said that German unification was "first & foremost a matter for the Germans themselves" to work out. It called for an end to West German "remilitarization" & "participation in the aggressive military NATO bloc" as preconditions for German unity [see Vol. XVI, pp. 444D-E3, 299D1-E2]. The communiqué said that East-West disarmament disagreements could be "partially resolved" through "the establishment of a restricted armaments zone in Europe comprising both parts of Germany." [See Vol. XVI, p. 444E3]

The Soviet leaders pledged a 30% increase in shipment of goods to East Germany in 1957 & said that a credit of 340 million rubles ($85 million) "in freely convertible currency" would be granted the East German economy. The communiqué said that the USSR would press for East Germany's "sovereign rights to its air space" and negotiate accords on Soviet-East German consular, citizenship & legal affairs.

Chou in Moscow. Communist Chinese Premier Chou En-lai arrived in Moscow from Peiping Jan. 7 to open talks on Soviet-bloc relations. Chou told newsmen Jan. 7 that unity of the Communist world was essential and that Soviet-Chinese friendship was "eternal & unbreakable." He affirmed that the Communist bloc was "led by the Soviet Union," the "most determined fighter against war & colonialism." Chinese spokesmen revealed Jan. 7 that Chou would visit Warsaw & Budapest before returning to Peiping. [See Vol. XVI, p. 435A-C3]

(Chou conferred with Indian Prime Min. Jawaharlal Nehru in New Delhi Dec. 31-Jan. 1 and reportedly heard Nehru's views on his U.S. visit & talks with Pres. Eisenhower. Chou then returned to Peiping to brief Chinese leaders before flying to Moscow Jan. 7.) [See Vol. XVI, p. 436B2-C3]

Nehru on East, West. Nehru reported on his U.S. tour at Congress Party meetings in Indore Jan. 3-4. The Congress Party Working Com. Jan. 3 adopted a foreign policy resolution critical of U.S. Mid-East plans but expressing regret that the "democratization" of East Europe had been "checked." Nehru told Congress Party leaders in Indore Jan. 6 that "if there is a power vacuum in West Asia [the Mid-East], it has to be filled by countries in that region through their internal strength & unity." Nehru said that events in Egypt & Hungary had shown that neither "colonial aggression" nor "Communist aggression" were "easy" any more. [See Vol. XVI, pp. 428D1-429B2]

Hungary

Red Regime. Premier Janos Kadar's Govt. curbed hopes for liberalization of its rule Jan. 6 wtih a statement reaffirming the "dictatorship of the proletariat" in Hungary. The statement pledged both "strengthening of the state power" & "further democratization" with liberty for all except "those who are enemies of freedom & socialism." The Govt. warned that the Hungarian Communist Party (renamed Socialist Workers Party) was "the concentrated power of the Communists" and therefore "the leading force" in Hungary. It charged that the "treason of the Imre Nagy Govt. had paved the way for a counter-revolution" which sought "to erect a feudal & capitalist state & turn Hungary into a scene of fire." [See Vol. XVI, pp. 435A-C1, 426F2-427B1]

The Govt. statement asserted that "the armed force of the counter-revolution was defeated in a few days" with the "big help" of "the Soviet Army." It said that the continued presence of Soviet troops in Hungary was the best guarantee for "the peaceful life of the Hungarian people." The Govt. conceded that Soviet-Hungarian friction had grown during "the last phase of Stalin's life" but said that all problems, "including the

question of the stay of Soviet troops in Hungary," would be settled through "friendly negotiations" on the basis of the Oct. 30 Moscow statement on Soviet-satellite relations. [See Vol. XVI, p. 356F2-A3]

The Govt. warned Hungarian workers that "irresponsible practices" must "be stopped." It said there were "no prospects for further wage increases," and "no wages will be paid without corresponding work." The statement disclosed that Hungary's 5-yr. plan had been abandoned in favor of a 3-yr. reconstruction program coupled to limited reforms encouraging local factory control & private trade. It said that Hungary would accept "credit, even from capitalist countries if no political conditions are attached." It estimated that Hungary's 1956 natl. income had been reduced by 9 billion forints ($765 million) during the rebellion.

Coalition Efforts. The Kadar statement Jan. 6 said that the Hungarian Govt. would "conduct talks with the various factions of public life" on "participation in the Govt." & "consolidation of progressive forces of the nation." [See Vol. XVI, p. 417E3]

AP dispatches reported Jan. 6 that leaders of the Smallholders, Natl. Peasant & Social Dem. parties had met in Budapest & agreed not to enter separate negotiations with the Kadar Govt. The "N.Y. Times" Jan. 2 had reported negotiations under way between the Govt. & non-Communist parties on the parties' demands for: an end to martial law, summary courts & deportations; legal rights for prisoners & dissolution of the political police; access to press & radio for Govt. coalition parties; Social Dems.' entry into the Cabt.; continuance of the Workers & Peasants Councils; a Russian statement on withdrawal of troops from Hungary. [See Vol. XVI, p. 355C3]

(The West German newspaper "Bildzeitung" Jan. 5 quoted ex-Premier Imre Nagy as having predicted the fall of the Kadar Govt. because "he rules against the will of the people." Nagy, in an interview said to have been granted to a Yugoslav reporter at the Yugoslav Embassy in Budapest 6 wks. earlier, foresaw "the end of communism in its present form." Nagy said that "at first" he thought he "could speak openly with the Russians," but it had been "proved an error." "The Hungarian revolution," he added, "went far beyond its aims & has therefore failed.") [See Vol. XVI, p. 395B-F3]

Strikes. Sporadic work stoppages continued in Hungary Jan. 1-9. 75% of the coal miners at Tatabanya refused to enter the pits Jan. 4 because of the arrest of 12 Tatabanya miners Jan. 1. Industry Min. Antal Apro received a Tatabanya miners' delegation Jan. 5 but rejected their demands that Workers Council members be freed from production work. Apro said Jan. 5 that Hungary was "reexamining" its uranium mining agreement with the USSR [see Vol. XVI, p. 434F3]. The Hungarian Natl. Trades Union Council Jan. 8 postponed indefinitely promised union elections [see Vol. XVI, p. 417F3]. Kadar's Govt. Jan. 6 announced the execution of Geza Szivos, 25, the 6th rebel put to death for possession of firearms. [See Vol. XVI, p. 426D3]

UN Mission. Hungary Jan. 4 admitted a UN team headed by UN Undersecy. Philippe de Seynes to begin a study of Hungary's economic needs. De Seynes, in charge of all UN relief for Hungary, had secretly assembled the mission in Geneva & was accompanied to Hungary by F. T. Whalen of the Food & Agri. Org., Arthur Ewing of the Econ. Comm. for Europe and Pierre Sinard, an official of both the FAO & ECE. The mission met with Hungarian officials in Budapest Jan. 5-7, then went to Vienna to prepare a report for UN Secy. Gen. Dag Hammarskjöld. (Moscow "Pravda" said Jan. 6 that Hungarian Forgn. Min. Imre Horvath had invited Hammarskjöld to visit Hungary "in the spring.") [See Vol. XVI, pp. 435A2,

Refugees. The flow of Hungarian escapees into Austria continued Jan. 1-9 despite police searches of Hungarian trains in the border area & shootings of several refugees during the period. Austrian reception camps reported a total of 161,378 refugees registered by Jan. 8 and 92,195 escapee departures for asylum in other countries [see Vol. XVI, p. 427F1]. The Yugoslav Forgn. Ministry reported Jan. 4 that 2,236 Hungarians had entered Yugoslavia since the revolt began Oct. 23. Yugoslavia listed 132 returnees to Hungary, 29 emigrants to asylum in France & Italy. [See Vol. XVI, p. 410F1]

Pres. Eisenhower Jan. 1 ordered an unspecified number of additional Hungarian refugees admitted to the U.S. "until such time as Congress acts" on new refugee legislation. Mr. Eisenhower acted following release Jan. 1 of a formal report by Vice Pres. Nixon on his tour of Austrian & West German refugee camps. A 2d U.S. refugee airlift began from West Germany Jan. 8 under plans to admit 6,814 Hungarian "parolees" above the announced 21,500 U.S. quota. The U.S. Immigration & Naturalization Svc. said Jan. 8 that 9 refugees had been returned to Austria from the U.S.—8 for false statements, one at his own request. [See Vol. XVI, p. 435E1]

The Intl. Rescue Com. Jan. 1 disclosed appointment of John Alexander-Sinclair, ex-aide to the UN High Comm. for Refugees, to replace Joseph L. Buttinger as chief of the IRC's Hungarian refugee program. [See Vol. XVI, p. 378C1]

(The U.S. State Dept. said Jan. 3 that 189,967 refugees had been admitted to the U.S. under the 1953 Refugee Relief Act before expiration of the law Jan. 1. The 3-yr. program had authorized 209,000 refugee entries. Pierce J. Gerety, Dep. Admin. for Refugee Programs under the act, resigned Jan. 3 & blamed the failure to issue a full quota of visas on provisions that "did not permit the visa allotments to be shifted" where "they were needed.") [See Vol. XV, pp. 124G1-E3, 133C1]

OTHER WORLD NEWS

German Saar. The Saar territory was detached from French control & became the 10th state of West Germany Jan. 1. Reunification ceremonies in Saarbrücken were attended by Chancellor Konrad Adenauer. Transfer of the region to West Germany was accomplished under a final agreement reached between Adenauer & French Premier Guy Mollet in Bonn Sept. 29. The treaty was approved by the Saar Cabt. Oct. 2, signed in Luxembourg Oct. 27 by West German Forgn. Min. Heinrich von Brentano & French Forgn. Min. Christian Pineau, approved unanimously by the West German Bundesrat (upper house) Nov. 23 and Bundestag (lower house) Dec. 14, ratified by the French Natl. Assembly, 320-216, Dec. 12 & by the French Council of the Republic (upper house), 209-66, Dec. 27. [See Vol. XVI, pp. 198G3-199C1]

Disarmament. Pres. Eisenhower Jan. 2 rejected Soviet Premier Nikolai A. Bulganin's Nov. 17 request for a 5-power conference on a revised Russian plan for world disarmament [see Vol. XVI, p. 389D-G1]. The President said in a terse note to Bulganin that the U.S. preferred to deal with the disarmament question "within the framework of the UN" and would present new disarmament proposals in "forthcoming meetings of the [UN] Disarmament Subcom." Mr. Eisenhower noted the USSR's "apparent willingness" to test the U.S.' open skies project in a zone across Europe, but regretted lack of inspection of "the centers of our military power." Similar notes were delivered to Bulganin Jan. 3 from British Prime Min. Sir Anthony Eden & French Premier Guy Mollet. [See Vol. XVI, p. 428C1]

(Moscow radio announced Jan. 7 that the USSR had "reduced its armed forces by 1,840,000" in line with previously disclosed disarmament plans.) [See Vol. XVI, p. 157B1]

Korea. The Political Com. of the UN Gen. Assembly in New York voted Jan. 8 by 57-8 (Soviet bloc opposed, 13 Afro-Asian abstentions) to adopt a U.S. resolution calling for the unification of Korea through free elections in North & South Korea sponsored by the UN Comm. for Unification & Rehabilitation of Korea. Indian delegate V. K. Krishna Menon predicted Jan. 7 that North Korea might agree to an election if it were sponsored by an international body other than the UN. Korean Amb.-to-U.S. You Chan Yung, addressing the Political Com. Jan. 7, urged the UN to demand the withdrawal of Red Chinese forces from North Korea. He said that armed forces in North Korea had increased by 62%—naval strength by more than 300%—during the truce. [See Vol. XVI, p. 126D3]

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Eastern Orthodox Christmas was observed Jan. 7. . . . **Mitsuo Fuchida,** ex-Japanese AF capt. who led the Dec. 7, 1941 raid on Pearl Harbor, arrived in San Francisco Dec. 28 as a Christian missionary to make a 6-mo. tour of the U.S.

NATIONAL AFFAIRS

THE PRESIDENT

Personnel. Pres. Eisenhower Jan. 4 formally appointed ex-Chrmn. Walter F. George (D., Ga.) of the Senate Forgn. Relations Com. as his $20,000-a-yr. special assistant on foreign policy & Ambassador to the North Atlantic Treaty Org. [See Vol. XVI, pp. 246F1, 245G2, 160D3-161A1]

Labor Secy. James P. Mitchell announced Jan. 3 that he had yielded to the President's request that Mitchell remain in the Cabinet [see Vol. XVI, p. 397C2]. Mr. Eisenhower announced the same day that he was appointing James T. O'Connell, 50, of Montclair, N.J. as Labor Undersecy. O'Connell had served since Mar. 1954 as a consultant to the Labor Secy. and had been vice pres. in charge of industrial relations of the Publix Shirt Corp. of New York.

The President Jan. 1 appointed Ross L. Leffler, assistant to the U.S. Steel Corp. executive vice pres. & ex-pres. of the Pa. Game Comm., as Asst. Interior Secy. for the Fish & Wildlife Svc. (new post). Mr. Eisenhower simultaneously appointed Elliott Lee Richardson, 36, Boston lawyer, to succeed Roswell B. Perkins as Asst. Health, Edctn. & Welfare Secy. [See Vol. XVI, p. 389E3]

Pres. Eisenhower Jan. 3 chose Subversive Activities Control Board member Mrs. Dorothy McCullough Lee, 55, to succeed ex-Gov. Thomas J. Herbert of Ohio as SACB chairman. Herbert, who had been elected to the Ohio Supreme Court, had resigned his SACB post effective Jan. 21. [See Vol. XVI, p. 441F-G3]

Mr. Eisenhower Jan. 8 accepted the resignation of Raymond H. Fogler, 64, as Asst. Navy Secy. for matériel. [See Vol. XIII, p. 217B-C]

Other Developments. The White House announced Jan. 7 that King Saud of Saudi Arabia would visit Pres. Eisenhower for 3 days starting Jan. 30 to discuss Middle Eastern problems. [See Vol. XVI, p. 322D2]

Dr. William P. Tolley, Syracuse U. chancellor, presented to Mr. Eisenhower Jan. 3 the annual George Washington Carver Memorial Institute gold award (a plaque) "for outstanding contributions to the betterment of race relations & human welfare."

Pres. Eisenhower Jan. 5 laid the cornerstone of the new State Dept. building, an 8-story $57,400,000 structure to be completed in 1960. It was to occupy 2 blocks and be Washington's biggest building (although smaller than the Pentagon, across the Potomac in Virginia). Mr. Eisenhower used the silver trowel George Washington had used in laying the Capitol cornerstone in 1793.

CONGRESS

Democrats in Control. The 85th Congress convened at noon Jan. 3 with Democrats in control of both houses. There were 233 Democrats, 200 Republicans & 2 vacancies in the House. The Senate had 49 Democrats & 46 Republicans on the opening day.

A 47th Republican Senator, Jacob K. Javits (N.Y.), was sworn in Jan. 9. He had deferred his entry into the Senate in order to delay his resignation as N.Y. State Atty. General and thereby make sure his successor in the state post was chosen not by Gov. Averell Harriman (D.) but by the GOP-dominated state Legislature, which convened Jan. 9.

Newly-elected Sen. Frank J. Lausche (D., O.)* kept the Senate in suspense until the last minute by his hints that he might vote with the Republicans on organizing the Senate. Had he done so, Javits had been prepared to take his seat Jan. 3 and throw the contest into a 48-48 tie. This would have permitted Vice Pres. Richard M. Nixon, a Republican, to cast a deciding vote that would have given Republicans rather than Democrats all committee chairmanships & committee majorities and control of the legislative calendars & timetables. On the first ballot, however, Lausche voted for Sen. Carl Hayden (D., Ariz.) rather than for Sen. Styles Bridges (R., N.H.) to be Senate President pro Tempore, and Democrats were in charge thereafter.

Officers of the 85th Congress:

SENATE. President—Vice Pres. Richard M. Nixon (R). **Pres. pro Tem.**—Carl Hayden (D., Ariz.). **Majority leader**—Lyndon B. Johnson (D., Tex.). **Majority whip**—Mike Mansfield (D., Mont.). **Chrmn., Dem. Conf. & Dem. Policy Com.**—Johnson. **Minority leader**—Wm. F. Knowland (R., Calif.). **Minority whip**—Everett M. Dirksen (R., Ill.). **Chrmn., GOP Conf.**—Leverett Saltonstall (Mass.). **Chrmn., GOP Policy Com.**—Styles Bridges (N.H.). **Chrmn. GOP Senatorial Campaign Com.**—Andrew F. Schoeppel (Kan.). **Chrmn., GOP Com. on Committees**—John W Bricker (O.). **Chrmn., GOP Com. on Personnel** (patronage)—Edw. Martin (Pa.). **Chaplain**—The Rev. Frederick Brown Harris. **Secy. of Senate**—Felton M. Johnson. **Secy. to the Majority**—Robt. G. Baker. **Secy. to the Minority**—J. Mark Trice. **Sgt.-at-Arms**—Jos. C. Duke.

HOUSE of REPRESENTATIVES. Speaker — Sam Rayburn (D., Tex.). **Majority leader**—John W. McCormack (D., Mass.). **Majority whip**—Carl Albert (D., Okla.). **Chrmn., Dem. Caucus**—Melvin Price (Ill.). **Minority leader**—Jos. W. Martin Jr. (R., Mass.). **Minority whip**—Leslie C. Arends (R., Ill.). **Chrmn., GOP Conf.**—Chas. B. Hoeven (Ia.). **Parliamentarian**—Lewis Deschler. **Chaplain**—The Rev. Bernard Braskamp. **Clerk**—Ralph R. Robert. **Sgt.-at-Arms**—Zeake W. Johnson Jr. **Doorkeeper**—Wm. M. Miller. [See Vol. XV, p. 3B-D3]

Filibuster Curb Beaten. A move to curb Senate filibusters, the chief Southern weapon against civil-rights legislation, was defeated Jan. 4 when the Senate, by 55-38 vote, approved Senate Democratic leader Johnson's proposal to table (& thereby kill for the session) a motion to revise the Senate's rules.

Prior to the vote, Vice Pres. Nixon supported the anti-filibuster faction by stating his opinion that "a majority of the Senate" has a constitutional right "at any time" to change Senate rules. "While the rules of the Senate have been continued from one Congress to another, the right of a current majority of the Senate at the beginning of a new Congress to adopt its own rules . . . cannot be restricted or limited by rules adopted by the Senate in a previous Congress," he said.

The vote to table (kill) the anti-filibuster proposal: **28 Republicans**—Barrett (Wyo.), Bennett (Utah), Bricker (O.), Bridges (N.H.), Butler (Md.), Capehart (Ind.), Carlson (Kan.), Francis Case (S.D.), Cotton (N.H.), Curtis (Neb.), Dirksen (Ill.), Dworshak (Ida.), Goldwater (Ariz.), Hickenlooper (Ia.), Hruska (Neb.), Jenner (Ind.), Knowland (Calif.), Langer (N.D.), Malone (Nev.), Edw. Martin (Pa.), McCarthy (Wis.), Mundt (S.D.), Revercomb (W.Va.), Saltonstall (Mass.), Schoeppel (Kan.), Watkins (Utah), Williams (Del.), Young (N.D.). **27 Democrats**—Bible (Nev.), Byrd (Va.), Daniel (Tex.), Eastland (Miss.), Ellender (La.), Ervin (N.C.), Frear (Del.), Fulbright (Ark.), Gore (Tenn.), Green (R.I.), Hayden (Ariz.), Hill (Ala.), Holland (Fla.), Johnson (Tex.), Johnston (S.C.), Kerr (Okla.), Long (La.), McClellan (Ark.), Monroney (Okla.), Robertson (Va.), Russell (Ga.), Scott (N.C.), Smathers (Fla.), Sparkman (Ala.) Stennis (Miss.), Talmadge (Ga.), Thurmond (S.C.).

The vote against tabling: **21 Democrats**—Anderson (N.M.), Carroll (Colo.), Chavez (N.M.), Church (Ida.), Clark (Pa.), Douglas (Ill.), Hennings (Mo.), Humphrey (Minn.), Jackson (Wash.), Kefauver (Tenn.), Kennedy (Mass.), Lausche (O.), Magnuson (Wash.), Mansfield (Mont.), McNamara (Mich.), Morse (Ore.), Murray (Mont.), Neuberger (Ore.), O'Mahoney (Wyo.), Pastore (R.I.), Symington (Mo.). **17 Republicans**—Aiken (Vt.), Allott (Colo.), Beall (Md.), Bush (Conn.), Clifford Case (N.J.), Cooper (Ky.), Flanders (Vt.), Ives (N.Y.), Kuchel (Calif.), Thos. Martin (Ia.), Morton (Ky.), Payne (Me.), Potter (Mich.), Purtell (Conn.), Mrs. Smith (Me.), H. Alexander Smith (N.J.), Thye (Minn.).

Not voting but vs. tabling: Neeley (D., W.Va.), Wiley (R., Wis.). [See Vol. XVI, p. 436F3]

*Lausche resigned as Ohio Governor Jan. 3. Lt. Gov. John W. Brown (R.), 43, was sworn in immediately as Governor and was to serve until the inauguration Jan. 14 of C. William O'Neill (R.), winner of the Nov. 1956 gubernatorial election & currently State Atty. General. [See Vol. XVI, p. 383B-C3]

OTHER U.S. NEWS

Desegregation. The Southern Regional Council in Atlanta reported Jan. 6 that segregation of bus passengers had been ended without violence in 21 southern & border-state cities (Little Rock, Pine Bluff, Ft. Smith & Hot Springs, Ark.; Charlotte, Greensboro, Durham & Winston-Salem, N.C.; Richmond, Norfolk, Portsmouth, Newport News, Petersburg, Charlottesville, Fredericksburg, Lynchburg & Roanoke, Va.; San Antonio, Dallas & Corpus Christi, Tex.; Knoxville, Tenn.). . . . Bus service was suspended in Tallahassee, Fla. Jan. 1 by order of Gov. Leroy Collins to prevent violence over racial desegregation of passengers. A Negro grocery store had been fired on and windows smashed at the home of Rev. C. K. Steele, Tallahassee Negro Inter Civic Council pres., earlier that day. The Tallahassee City Comm. passed an ordinance Jan. 7 that required bus drivers to assign passengers to seats so as to "preserve good order" & "distribute the weight of passengers" equally. Collins said in an address at his 2d inaugural in Tallahassee Jan. 8 that Florida would accept bus desegregation, although not by compulsion, but that its schools could not be desegregated in the "foreseeable future." Fed. Judge Emmet Choate gave an oral opinion in Miami to the Miami City Comm. Jan. 3 that state & local bus segregation laws were "unconstitutional & hence unenforceable." [See Vol. XVI, p. 437B2] . . . A 5 p.m. curfew on Montgomery, Ala. city bus service to avoid disorders over desegregation was revoked by the City Comm. Jan. 8 in the belief that trouble had subsided. [See Vol. XVI, p. 437A2]

Business & Financial Summary

Week Ended Jan. 5

FINANCE:

	This Week	Last Week	Year Ago
U. S. Treasury—			
Monetary gold stocks	*$21,949	*$21,949	*$21,690
Currency circulation	*$31,829	*$31,992	*$31,153
Fed. Reserve System—	Jan. 2	Dec. 26, '56	Jan. 4, '56
Reserves	*$21,269.341	*$21,269.344	*$21,009.194
Govt. securities	*$24,818.632	*$24,940.232	*$24,663.158
Note circulation	*$27,427.168	*$27,596.336	*$26,837.757
Discounts & advances	*$370.444	*$649.724	*$397.730
Reserve ratio	44.5%	44.3%	44.3%
Banks—	This Week	Last Week	Year Ago
Com'l, ind'l & agri'l loans§	*[a]$31,309	*$31,266	*$26,707
N.Y. bank clearings	$12,621,094,080	$9,383,708,833	$11,623,953,929
N. Y. Stock Exchange—			
Stock sales (shares)	10,614,185	7,670,837	9,362,400
Stock avgs. (100 stocks)**	206.67	205.76	201.42
Bond sales (par value)	$18,279,650	$18,903,600	$16,850,100
Bond avgs. (30 bonds)**	89.62	89.31	98.38
INDUSTRY:			
Auto output (cars & trucks)†	101,233	112,082	144,348
Crude oil (bbls. daily)	[r][b]7,392,350	[r]7,376,100	6,987,050
Soft-coal output (tons)	[c]11,020,000	10,690,000	10,439,000
Electric output (kwh.)	*[b]11,196	*12,227	*10,751
Carloadings (cars)	[b]489,546	698,389	570,412
PRICES:			
Wheat (bu.)	$2.71¼	$2.71⅞	$2.50⅞
Corn (bu.)	$1.66¾	$1.64⅞	$1.49⅝
Cotton (lb.)	$.3465	$.346	$. ...
Steel scrap avg. (ton)	$63.50	$63.50	$53.33
Wholesale food index‡	[d]$6.13	$6.12	$5.95
Weekly whlsl. index (BLS)¶	[d].....	.....	111.8
BUSINESS:			
Dept. store sales§¶	[b]112	265	88
Failures (Dec. 27)‡	174	214	174

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Fed. Reserve Board [a]Member banks, 94 cities, Dec. 26, 1956 [b]Dec. 29, 1956 [c]Dec. 22, 1956 [d]Dec. 31, 1956 [r]Record

N.Y. Stock Exchange ended the year Dec. 31 with prices for 100 selected stocks averaging 3.09 higher than at the end of 1955, the "N.Y. Herald Tribune" reported Jan. 1. [See Vol. XV, p. 31D1] . . . **U.S. steelmaking capacity** was at a new record high of 113,459,150 net tons a year Jan. 1, the Amer. Iron & Steel Inst. reported. [See Vol. XVI, p. 6A3] . . . **Railroad fare** increase of 5% on coach & first-class fares on all Western lines & 8 in the East (N.Y. Central, Pa., Chesapeake & Ohio, Lehigh, Norfolk & Western, Pa.-Reading Seashore, Pittsburgh & Lake Erie, Reading) and 7% on Pullman fares nationwide took effect Jan. 1 under an ICC authorization granted Dec. 31. [See Vol. XVI, pp. 442G1, 6B2] . . . **Eastman Kodak Co.** abandoned "fair trade" agreements with retailers Dec. 31 on grounds that they were "impractical" & unenforceable in 16 states & the Dist. of Columbia for lack of fair-trade laws or due to adverse court decisions. [See Vol. XVI, pp. 70G1, 63C1] . . . **U.S. farm prices** Jan. 1 averaged 6.6% higher than a year ago, the Agriculture Dept. reported. Mid-December prices, up 1.26% since mid-November, were rated at 82% of parity (vs. 80% a year ago), with prices received by farmers averaging 237% of the 1910-14 base avg. and prices paid by farmers 289% of the 1910-14 avg. [See Vol. XVI, pp. 359D3, 380F2] . . . **Crude oil** prices were increased generally by 35¢-40¢ a bbl. in the U.S. Jan. 3-7 due to increased demand for American oil since the Suez Canal was blocked. The Natl. Oil Marketers Assn. urged Jan. 7 that Pres. Eisenhower suspend the law limiting crude oil production for interstate commerce to avoid scarcity & keep prices competitive. [See Vol. XVI, p. 411B2] . . . **Diamond** prices were increased an avg. 5.7% Jan. 8 by the Diamond Trading Co. (De Beers group reps.) in London. [See Vol. XVI, p. 107B3] . . . **Newsprint** prices were raised $4 a ton (to $134 a ton in N.Y.) by Abitibi Power & Paper Co., Ltd. of Canada Jan. 2. [See Vol. XVI, p. 107B1]

Sen. William F. Knowland (R., Calif.), 48, announced Jan. 7 that he would not run for reelection in 1958. He refused to say whether he might run for Gov. of Calif. that year or the Republican Presidential nomination in 1960. [See Vol. XVI, p. 77A1] . . . **Gov. Dennis J. Roberts** (D.), 53, of Rhode Island was declared reelected Jan. 1 by the state Supreme Court in Providence when it voided Christopher Del Sesto's (R.) 427-vote lead in final returns by ruling that 4,994 absentee ballots were invalid because they were not cast on election day as required by state law (except for persons in military service). Roberts was inaugurated for a 4th term later Jan. 1. [See Vol. XVI, p. 422C1]

ARTS & SCIENCE

Scientists. The Amer. Assn. for the Advancement of Science, in a report adopted Dec. 30 by its annual meeting in New York, resolved that scientists must take a stronger role in public efforts to adjust society to "unprecedented improvements in the condition of human life" brought about by scientific accomplishments. Dr. Wallace R. Brode, assoc. dir. of the Natl. Bureau of Standards, was named AAAS pres.-elect to succeed Dr. Laurence H. Snyder of the U. of Okla. in a year. [See Vol. XVI, p. 341B, F2] . . . Frank S. Crawford Jr., U. of Calif. physicist, reported Jan. 5 in the British journal "Nature" on experiments with acceleration of atomic particles that tended to prove the "clock paradox" of the Einstein theory of relativity (that motion causes time & space to contract). [See Vol. XVI, p. 87A3] . . . A new "catalyzed nuclear reaction" process for producing atomic energy was disclosed Dec. 28 by a research team headed by Dr. Luis W. Alvarez at the U. of Calif. radiation laboratory in Monterey, Calif. The report said that it had been discovered that the negative Mu meson, an atomic particle, could fuse a heavy & light hydrogen atom to form a helium atom, with a resultant yield of energy. Whereas the heat of a nuclear fission explosion is required to bring about thermonuclear reaction of the existing "fusion" H-bomb, temperature is not involved in the Mu meson fusion process, the report said. [See Vol. XVI, p. 271D2] . . . Dr. Thomas Lauritsen, Calif. Inst. of Tech. physicist, disclosed at an Amer. Physical Society convention in Monterey, Calif. Dec. 30 that he had converted carbon into helium under laboratory conditions of heat & pressure simulating those that prevail in a "hot" star. The finding was regarded as evidence that the universe was formed gradually rather than during a cosmic explosion, and as an indication of how giant red stars give off energy. [See Vol. XVI, p. 187A1]

Publications. The Erie (Pa.) daily & Sunday morning "Dispatch" ceased publication Jan. 5-7 after their purchase from Edward O. Lamb, Toledo attorney, by the afternoon "Erie Times," which established a new "Erie Morning News" Jan. 7 & announced that its Sunday paper would be renamed "Times-News." [See Vol. XV, p. 426E1] . . . The tabloid "Philadelphia Daily News" dropped 90 employes Jan. 1 by agreement with the Amer. Newspaper Guild after publisher Matthew H. McCloskey had announced that it would cease publication unless it could reduce its payroll. J. David Stern 3d, "New Orleans Item" publisher, became the "News" publisher Jan. 2. . . . "Town Journal," a monthly of 2 million circ., was discontinued (effective after its Feb. issue) by Farm Journal, Inc. Dec. 27. . . . "Aero Digest" magazine was discontinued Dec. 28. . . . A U.S. Census Bureau report Dec. 26 for 1954 on publishing in the U.S. showed: 8,646 newspaper firms employed 281,799 persons, had payrolls totaling

U.S. TREASURY STATEMENT

	Dec. 1956	Dec. 1955	June-Dec. 1956	June-Dec. 1955
Net deposits	$5,898,651,739	$5,352,677,358	$32,821,634,571	$29,471,151,448
Individual income taxes:				
Withheld	$2,172,698,397	$1,884,288,657	$13,033,727,286	$11,324,527,393
Other	$292,644,914	$323,989,605	$3,051,305,375	$2,727,606,961
Corporation income taxes	$1,822,470,240	$1,415,095,462	$5,596,058,508	$4,163,504,908
Net withdrawals	$7,448,002,372	$6,263,642,918	$38,540,045,926	$36,385,151,125
Military	$3,097,144,200	$2,950,803,752	$19,177,565,083	$17,626,627,963
Foreign aid	$278,100,683	$280,254,279	$1,703,097,308	$2,094,492,888
Veterans	$422,049,960	$403,186,333	$2,284,633,827	$2,243,144,712
Interest on public debt	$858,784,782	$705,297,071	$2,573,668,183	$2,465,763,804
Decrease in public debt	$389,425,032	.....	.....	.....
Increase in public debt	.....	$632,173,709	$3,876,714,346	$6,394,330,386

Gross public debt & guaranteed obligations $276,730,757,721 (including $276,275,680,691 subject to statutory limitation); last year $280,821,613,238.
Gold reserve $21,949,116,011; year ago $21,690,225,178.
Treasury balance $4,427,373,416.57; last year $4,544,518,561.

$1,262,793,000 a year, output valued at $3,091,027,000, receipts of $2,058,978,000 from advertising & $840,867,000 from circulation sales; 2,045 magazine publishing firms employed 62,428 persons, had output valued at $1,421,720,000 a year; book publishers & printers totaled 814 firms with 34,704 employes & had output valued at $665,232,000 a year; 946 other publishing firms employing 18,378 persons & had output valued at $231,242,000 a year. . . . The Crowell-Collier Publishing Co. reported in New York Jan. 8 that it would give about $1 million in severance pay to 600 business & editorial (New York) & 1,800 printing plant (Springfield, O.) employes of the discontinued "Collier's" & "Woman's Home Companion." [See Vol. XVI, p. 422D1]

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Alliance of Television Film Producers announced in New York Jan. 4 its adoption of the ethical production code of the Natl. Assn. of Radio & Television Broadcasters [see Vol. XII, p. 59K]. NBC Pres. Robt. W. Sarnoff announced Dec. 13 in Miami (at the network's 30th anniversary convention) that NBC personnel & facilities would be made available free for producing & transmitting live educational programs to noncommercial educational TV stations (22 currently in operation). [See Vol. XVI, p. 223E1] . . . **Polio** cases in the U.S. totaled 15,400 cases (6,708 paralytic) in 1956 as against 29,270 (10,641 paralytic) in 1955, the Public Health Service reported Jan. 4. [See Vol. XVI, p. 422C2] . . . **English** is the native tongue of 250 million persons & a 2d language to 50-100 million, making it the world's most widely used language (not counting the various dialects of Chinese), Oliver J. Caldwell, Asst. U.S. Comm. for Intl. Education, told a College English Assn. meeting in Washington Dec. 28. . . . **Dr. Melville Bell Grosvenor,** 55, grandson of Alex. Graham Bell (inventor of telephone) & son of Natl. Geographic Society bd. chrmn. Dr. Gilbert Grosvenor, was elected Natl. Geographic Society pres. in Washington Jan. 8 to succeed Dr. John Oliver La Gorce. . . . **Alexander Gerasimov,** Soviet painter who was a favorite portraitist of Stalin, was revealed Jan. 8 to have resigned as Soviet Acad. of Arts pres. due to criticism by colleagues. [See Vol. XVI, p. 207D1]

OBITUARIES

Vice Adm. Wilson Brown, 74, U.S. Naval Acad. supt. 1938-41, Naval aide to 4 ex-Presidents (Truman, Roosevelt, Coolidge, Hoover), cmndr. of World War II Pacific Fleet task force in Battle of Coral Sea; Jan. 2 in Groton, Conn.

Charles Edwin Clapp, 57, playwright ("The Cat & The Canary," "The Goose Hangs High") author of 3 books on psychiatric problems of alcoholism; Jan. 2 in Charlottesville, Va. of bacterial blood-stream infection.

Louis Semple Clarke, 90, automotive engr., founder of Autocar Co. in 1897, inventor of first U.S. sparkplug, designer & producer of first shaft-driven car in 1901; Jan. 6, Palm Beach, Fla.

Al Espinosa, 64, tournament golfer, 5 times Mexican Open champ; Jan. 4 in San Francisco of cancer.

Kurt M. Hirschland, 75, Essen industrial banker until forced to leave Germany in 1933 to escape Nazi persecution; Jan. 2 in New York.

Lawrence M. Klee, 42, radio & TV scriptwriter ("Mr. & Mrs. North," "Fat Man," "Man Against Crime"); Jan. 1, Westport, Conn. (heart attack).

Willie L. Klein, 55, pro tournament golfer; Jan. 3 in Mineola, N.Y.

Theodor Koerner, 83, Austrian pres. since 1951, World War I general who dropped aristocratic title & joined Soc. Dem. Party in 1925, Austrian Bundesrat pres. 1934, until imprisoned by Dolfuss in 1934, anti-Nazi imprisoned by Gestapo in 1944 after attempted assassination of Hitler, Lord Mayor of Vienna 1945-51; Jan. 5 in Grinzing, near Vienna. [See Vol. XV, p. 320C3]

Jim Marshall, 65, English-born ex-"Collier's" editor & correspondent wounded during 1937 Japanese bombing of U.S. gunboat "Panay" on Yangtze; Jan. 7 in Palo Alto, Calif.

Col. Gen. Avraamy Pavlovich Zavenyagin, 55, Soviet Min. of Medium Machine Bldg. (agency believed counterpart to U.S. Atomic Energy Comm.), Soviet CP Central Com. member, ex-dep. to the late Soviet police chief Lavrenti Beria, reputed expert in use of slave labor; Dec. 31, 1956 in Moscow of heart attack.

Dr. John Todd Zimmer, 67, chrmn. of Dept. of Birds of Amer. Museum of Natural History, entomologist, farming expert; Jan. 6, White Plains, N.Y.

SPORTS

Winners

FOOTBALL BOWL SCORES JAN. 1

Rose Bowl, Pasadena, Calif.—Iowa 35, Oregon State 19; **Sugar Bowl,** New Orleans—Baylor 13, Tennessee 7; **Cotton Bowl,** Dallas—Texas Christian 28, Syracuse 27; **Orange Bowl,** Miami—Colorado 27, Clemson 21; **Sun Bowl,** El Paso, Tex.—George Washington 13, Texas Western 0; **Tangerine Bowl,** Orlando, Fla.—West Texas 20, Mississippi Southern 13; **Prairie View Bowl,** Houston, Tex.—Prairie View A&M 27, Texas Southern 6.

Senior Bowl in Mobile, Ala. Jan. 5—South 21, North 7. [See Vol. XVI, pp. 432F1, 8D2]

Boxing: Gene Fullmer, 25, 157¼ lb., of West Jordan, Utah won the world middleweight title from Sugar Ray Robinson, 35, 160 lb., of New York by a unanimous 15-round decision in New York Jan. 2. [See Vol. XVI, p. 172B1] . . . **Golf:** Doug Ford, 33, of Mahopac, N.Y. won the $35,000 Los Angeles open Jan. 7, for $7,000. [See Vol. XV, p. 439G3] . . . **Squash racquets:** Hashim Khan, 42, of Pakistan won the U.S. open tourney Jan. 6 in Cedarhurst, N.Y. [See Vol. XVI, p. 423A3]

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Jackie Robinson, 38, who was traded to the N.Y. Giants by Brooklyn Dec. 13, disclosed Jan. 5 that he had announced in an article in "Look" (Jan. 8 issue) his retirement from baseball to become vice pres. in charge of personnel of Chock-Full-O'-Nuts, a New York restaurant chain & coffee packer. [See Vol. XVI, p. 423C3]

Mrs. Pat Keller McCormick, Olympic diving champion, was declared winner Jan. 1 of the Jas. E. Sullivan award as outstanding U.S. amateur athlete in 1956. She also was designated Jan. 5 (via AP poll of sportswriters & sportscasters) to receive the Babe Didrikson Zaharias Trophy as last year's outstanding U.S. female athlete. [See Vol. XVI, p. 416B1] . . . **Ted Kroll** of Ft. Lauderdale, Fla. led U.S. pro golfers in tournament winnings last year with a record $72,835, and **Cary Middlecoff** won the Vardon Award for low avg. score of 70.35 strokes per 18-hole round, the PGA reported Jan. 7. [See Vol. XVI, pp. 272D2, 204G1]

MISCELLANEOUS

Accidents & Disasters. 591 persons were killed accidentally in the U.S. over the 4-day New Year's weekend (6 p.m. Dec. 28 to midnight Jan. 1), the AP reported Jan. 3. 409 persons died in traffic accidents—a record high for a New Year's weekend [see Vol. XVI, p. 432B2]. The Natl. Safety Council estimated Jan. 3 a record total of 40,200 U.S. traffic fatalities for 1956. Previous high: 39,969 in 1941 [see Vol. XVI, p. 48G1]. An estimated 6,700 persons died in Japanese traffic accidents in 1956, it was reported Jan. 5 in Tokyo. [See Vol. XVI, p. 440D1] . . . 20 Arab workers were reported dead or missing & 40 others injured after a sudden storm in the Persian Gulf smashed a $1½ million offshore Shell drilling rig Dec. 27, 1956 off Bahrein Island.

Crime. Actress Marie McDonald, 32 told police in Indio, Calif. Jan. 5 that she had been kidnaped from her San Fernando Valley home late Jan. 3 by 2 men (a Mexican & Negro). She said her abductors had beaten her, threatened her 3 children & held her captive for a day in a house in Los Angeles from which she managed to phone her ex-husband, Harry Karl, columnist Harrison Carroll & actor Michael Wilding. She charged, later denied that she had been raped. She reappeared Jan. 5 on a highway near Indio where she said the kidnapers pushed her out of their car. [See Vol. XVI, p. 256G3] . . . Roger Brown, 14, in whose charge Rose Ann White, 8, had been left while her mother was as work, confessed to Fairfield, Calif. police Jan. 6 that he had killed the girl Jan. 5 by hitting her head with a rock, then stabbing her. . . . Guy Earl Kramer, 76, of Bonanza, Ore. shot & killed Welfare Comm. Chrmn. Fred Patterson & wounded 2 commission aides Jan. 4 in Klamath Falls, Ore. after complaining that his welfare checks were too small. . . John H. Harmon, 50, ex-treas. of the Harlem (NYC) Abyssinian Baptist Church Fed. Credit Union and associate of its pastor, Rep. Adam Clayton Powell, was indicted by a federal grand jury in New York Jan. 2 on charges of embezzling $2,619 from the union. [See Vol. XVI, p. 413C2]